

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Purchase and Lease of Properties
Date: September 9, 2002

Recommended Actions:

1. Approve the purchase of the following properties, subject to approval of the Executive Council of Iowa:
 - a. 5 Melrose Place, from the University of Iowa Facilities Corporation, at the purchase price of \$200,500;
 - b. 7 Melrose Place, from the Carl A. Pieper Estate, at the purchase price of \$196,875; and
 - c. 223 Lucon Drive from the University of Iowa Facilities Corporation, at the purchase price of \$203,000.
2. Authorize the University to add the dwellings to its tenant property inventory, each to be leased at the rate of \$1,200 per month for the remainder of FY 2003.

(ROLL CALL VOTE)

Executive Summary:

The University wishes to purchase three residential properties located near the University's west campus, to the south of Melrose Avenue and the UIHC Pomerantz Pavilion and the Field House. (A map showing the location of the properties is included as Attachment A.)

- The property located at 5Melrose Place consists of a ranch-style home in excellent condition on a 11,058 square foot lot; the proposed purchase price is \$200,500.
- The property located at 7Melrose Place consists of a ranch-style home in good condition on a 8,935 square foot lot; the proposed purchase price is \$196,875.
- The property located at 223 Lucon Drive consists of a two-story home in good condition on a 17,100 square foot lot; the proposed purchase price is \$203,000.

The purchase price for each property is consistent with Board policy for the purchase of property.

The purchase agreements have been reviewed by the Attorney General's Office and are recommended for approval.

The University proposes to utilize Income from Treasurer's Temporary Investments for the property purchases.

Following acquisition, the University plans to lease the properties at the rate of \$1,200 per month for the remainder of FY 2003.

Background and Analysis:

The proposed purchase price for each property is based on two appraisals.

- The purchase price for the property located at 5 Melrose Place (\$200,500) is based on two appraisals of \$200,500.
- The purchase price for the property located at 7 Melrose Place (\$196,875) is based on two appraisals of \$170,000 and \$206,000.
- The purchase price for the property located at 223 Lucon Drive (\$203,000) is based on two appraisals of \$199,500 and \$205,000.

The purchase price for each property is consistent with Policy Manual §7.10, which requires that property be purchased at not more than 5 percent over the average of two appraisals.

Following acquisition, the University wishes to use the properties as rental units.

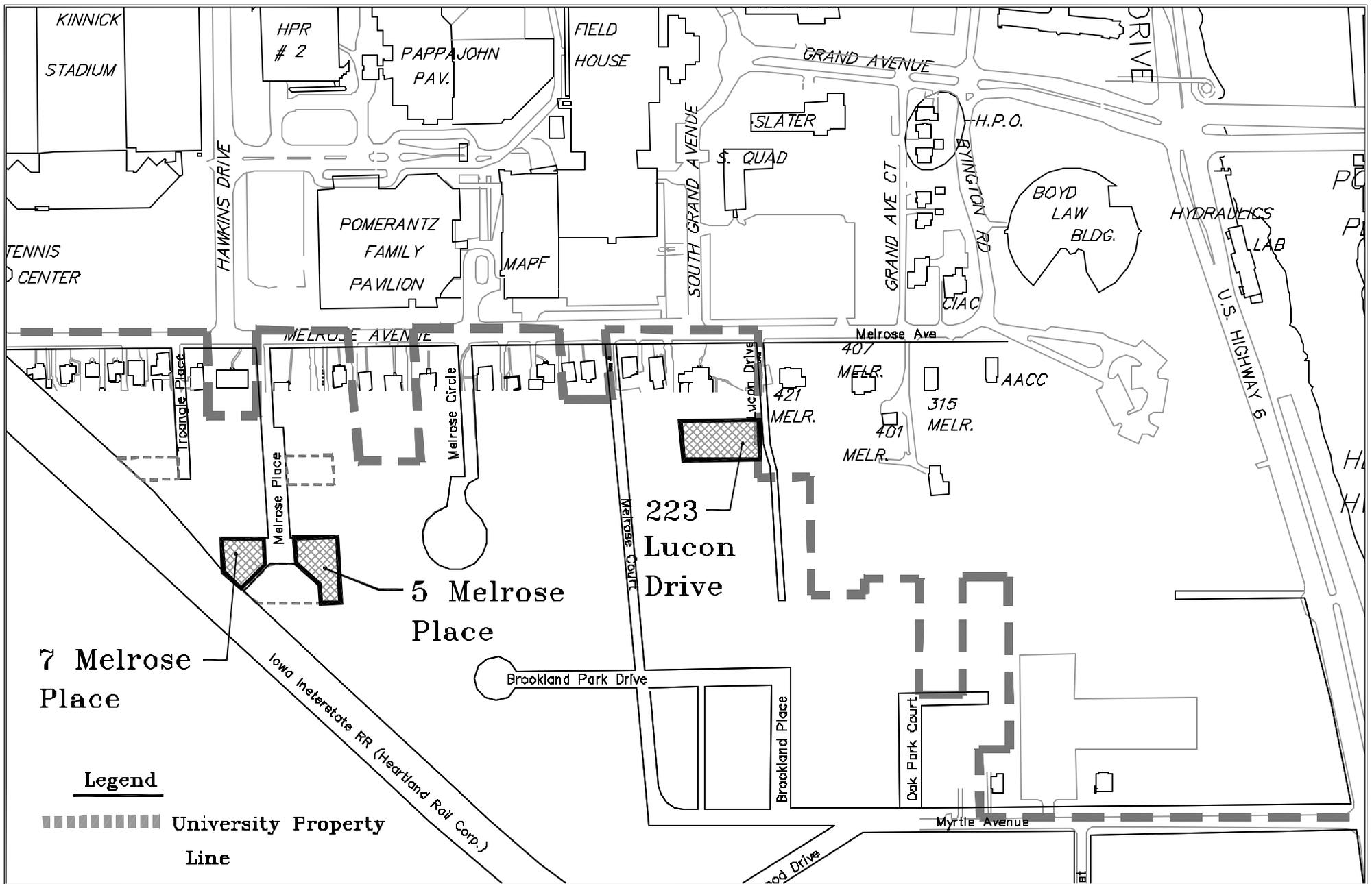
- The proposed rental rate of \$1,200 per month for FY 2003 is consistent with the University's FY 2003 rental rate for other comparable residences.

Since the properties would be added to the University's tenant property inventory, the rental rate for each subsequent fiscal year would be presented for Board approval once a year (normally in May) along with the rental rates for the University's other tenant properties.


Sheila Lodge

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Approved: 
Gregory S. Nichols



Legend

 University Property Line
 Iowa Interstate RR (Heartland Rail Corp.)



THE UNIVERSITY OF IOWA - LOCATION MAP

5 Melrose Place, 7 Melrose Place & 223 Lucon Drive

PLOTTED 9-04-02

lucon-223.dwg



Scale: 1" = 300'